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LOWER CAMERON AMBULANCE SERVICE DISTRICT

FINANCIAL REPORT

December 31, 2005

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 2-14-07

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INDEPENDENT AUDITORS' REPORT

To the Board of Commissioners
Lower Cameron Ambulance Service District
Creole, Louisiana

We have audited the accompanying basic financial statements of Lower Cameron Ambulance Service District, a component unit of the Cameron Parish Police Jury, as of and for the fourteen month period ending December 31, 2005, as listed in the table of contents. These basic financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these basic financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of Lower Cameron Ambulance Service District as of December 31, 2005, and the results of its operations, and cash flows for the fourteen month period then ended in conformity with accounting principles generally accepted in the United States of America.

The Lower Cameron Ambulance Service District has not presented management's discussion and analysis that accounting principles generally accepted in the United States has determined is necessary to supplement, although not required to be part of, the basic financial statements.

Our audit was conducted for the purposes of forming an opinion on the basic financial statements taken as a whole. The supplementary information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

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To the Board of Commissioners
Lower Cameron Ambulance Service District
Creole, Louisiana

In accordance with *Government Auditing Standards*, we have also issued our report dated January 8, 2007, on our consideration of Lower Cameron Ambulance Service District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of the audit.

Broussard, Poche, Lewis & Breaux, L.L.P.

Lafayette, Louisiana
January 8, 2007

LOWER CAMERON AMBULANCE SERVICE DISTRICT

BALANCE SHEET
December 31, 2005

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$ 704,637
Certificates of deposits	1,322,400
Patient accounts receivable, net of allowance for estimated uncollectible accounts of \$20,827	14,325
Property tax receivable, net of allowance of \$15,486	1,154,811
Other receivables	82,519
Prepaid expenses	25,318
Inventories	<u>14,075</u>
Total current assets	\$ 3,318,085

CAPITAL ASSETS

Property, plant and equipment, at cost, less accumulated depreciation of \$310,451	<u>228,005</u>
Total assets	<u>\$ 3,546,090</u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts payable	\$ 40,075
Accrued liabilities	<u>27,553</u>
Total current liabilities	\$ <u>67,628</u>

NET ASSETS

Invested in capital assets net of related debt	\$ 228,005
Unrestricted	<u>3,250,457</u>
Total net assets	\$ <u>3,478,462</u>
Total liabilities and net assets	<u>\$ 3,546,090</u>

See Notes to Financial Statements.

LOWER CAMERON AMBULANCE SERVICE DISTRICT

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
For the Fourteen Month Period Ending December 31, 2005

Operating revenues:	
Net patient service revenues (net of provision for bad debts of \$52,562)	\$ 186,377
Other operating revenues	<u>777</u>
Total operating revenues	\$ 187,154
Operating expenses:	
Salaries & and payroll taxes	\$ 658,574
Depreciation expense	100,129
Dispatch services	23,330
Education and travel	2,930
Employee benefits	97,528
Fuel expense	12,808
Insurance expense	74,101
Medical director	5,750
Professional fees	7,250
Rent	2,200
Repairs & maintenance	17,894
Retirement expense	12,302
Supplies	68,973
Telephone	11,807
Utilities	9,725
Other expenses	<u>5,904</u>
Total operating expenses	\$ 1,111,205
Operating loss	<u>\$ (924,051)</u>
Non-operating revenues:	
Ad valorem taxes	\$ 2,215,392
Investment income	57,436
Non-capital grants	17,117
Gain on involuntary conversion of capital assets	<u>183,267</u>
Total non-operating revenues	\$ 2,473,212
Excess of revenues over expenses before capital grants	\$ 1,549,161
Capital grants	<u>49,259</u>
Increase in net assets	\$ 1,598,420
Net assets beginning of year	<u>1,880,042</u>
Net assets end of year	<u>\$ 3,478,462</u>

See Notes to Financial Statements.

LOWER CAMERON AMBULANCE SERVICE DISTRICT

STATEMENT OF CASH FLOWS

For the Fourteen Month Period Ended December 31, 2005

CASH FLOWS FROM OPERATING ACTIVITIES:

Receipts from and on behalf of patients	\$ 204,766
Payments to suppliers and contractors	(364,220)
Payments to employees	(660,538)
Other receipts and payments, net	<u>776</u>

Net cash used by operating activities	<u>\$ (819,216)</u>
---------------------------------------	---------------------

CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:

Ad valorem taxes	\$ 1,060,581
Non-capital grants	<u>13,700</u>

Net cash provided by non-capital financing activities	<u>\$ 1,074,281</u>
-------------------------------------------------------	---------------------

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:

Purchase of capital assets	\$ (242,534)
Insurance proceeds from involuntary conversion of capital assets	<u>398,037</u>

Net cash provided by capital and financing activities	<u>\$ 155,503</u>
-------------------------------------------------------	-------------------

CASH FLOWS FROM INVESTING ACTIVITIES:

Interest income	\$ 47,012
Purchase of certificates of deposit, net of renewals	<u>(321,967)</u>

Net cash used by investing activities	<u>\$ (274,955)</u>
---------------------------------------	---------------------

Net increase in cash and cash equivalents	\$ 135,613
-------------------------------------------	------------

Cash and cash equivalents, beginning of year	<u>569,024</u>
----------------------------------------------	----------------

Cash and cash equivalents, end of year	<u>\$ 704,637</u>
----------------------------------------	-------------------

LOWER CAMERON AMBULANCE SERVICE DISTRICT

STATEMENT OF CASH FLOWS (continued)
For the Fourteen Month Period Ended December 31, 2005

RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY
OPERATING ACTIVITIES:

Operating loss	\$ (924,051)
Adjustment to reconcile operating loss to net cash flows used in operating activities:	
Depreciation	100,129
Provision for bad debts	52,562
(Increase) decrease in assets:	
Patient accounts receivable	(34,173)
Prepaid expense	(12,882)
Inventories	(858)
Increase in liabilities:	
Accounts payable	2,023
Accrued expenses	<u>(1,966)</u>
Net cash used in operating activities	<u>\$ (819,216)</u>

See Notes to Financial Statements.

LOWER CAMERON AMBULANCE SERVICE DISTRICT

NOTES TO FINANCIAL STATEMENTS

Note 1. Description of Organization and Summary of Significant Accounting Policies

Lower Cameron Ambulance District was established by the Cameron Parish Police Jury, by virtue of the authority of R.S. 33:9053, et, seq. The purpose of the Ambulance District is to provide ambulance services to Lower Cameron Parish. The board is appointed by the Cameron Parish Police Jury.

As the governing authority of the Parish, for reporting purposes, the Cameron Parish Police Jury is the financial reporting entity for the Ambulance District. Accordingly, the Ambulance District was determined to be a component unit of the Cameron Parish Police Jury based on GASB Statement No. 14, *The Financial Reporting Entity*. The accompanying financial statements present only the Ambulance District.

The accompanying basic financial statements of the Ambulance District have been prepared in conformity with generally accepted accounting principles (GAAP) in the United States of America as applicable to governmental entities. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. In June 1999, the GASB unanimously approved Statement No. 34, *Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments*. GASB 34 established standards for external financial reporting for all state and local governmental entities, which included a balance sheet or statement of net assets, a statement of revenues, expenditures and changes in net assets, and a statement of cash flows utilizing the direct method of presentation. The statement requires the classification of net assets into four components-invested in capital assets, net of related debt; restricted expendable net assets; restricted nonexpendable net assets; and unrestricted net assets. *Net assets invested in capital assets net of related debt* consist of capital assets net of accumulated depreciation and reduced by the current balances of any outstanding borrowings used to finance the purchase or construction of those assets. *Restricted expendable net assets* are non-capital net assets that must be used for a particular purpose, as specified by creditors, grantors, or contributors external to the Ambulance District. *Restricted nonexpendable net assets* equal the principal portion of permanent endowments. *Unrestricted net assets* are remaining net assets that do not meet the definition of *invested in capital assets net of related debt* or *restricted*. These and other changes are reflected in the accompanying basic financial statements (including the notes to the financial statements).

The more significant policies of the Ambulance District are described below:

Method of Accounting:

The Ambulance District utilizes the proprietary fund method of accounting whereby revenues and expenses are recognized on the accrual method. The Ambulance District's accounting and reporting procedures also conform to the requirements of Louisiana Revised Statute 24:514 and to the guide set forth in the *Louisiana Governmental Audit Guide*, and the *Audit and Accounting Guide – Health Care Organizations*, published by the American Institute of Certified Public Accountants, and standards established by the Governmental Accounting Standards Board (GASB), which is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

LOWER CAMERON AMBULANCE SERVICE DISTRICT

NOTES TO FINANCIAL STATEMENTS

Accounting Standards:

Pursuant to the GASB (GASB) Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting*, the Ambulance District has elected to apply the provisions of all relevant pronouncements of the Financial Accounting Standards Board (FASB), including those issued after November 30, 1989, that do not conflict with or contradict GASB pronouncements.

Change of fiscal year:

The Service District has operated on an October 31 fiscal year from inception through October 31, 2004. The Service District elected to change its fiscal year to December 31.

Use of estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and cash equivalents:

For purposes of the statement of cash flows, the Ambulance District considers all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents. Under state law, the Ambulance District may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana Law or any other state of the United States, or under the laws of the United States.

Trade receivables and allowance for uncollectible accounts:

Trade receivables are carried at the original billed amount less an estimate made for uncollectible accounts based on a review of all outstanding amounts on a monthly basis. Management determines the allowance for uncollectible accounts by identifying troubled accounts and by using historical experience applied to an aging of accounts. Trade receivables are written-off when deemed uncollectible. Recoveries of trade receivables previously written-off are recorded when received.

Inventories:

Inventories are valued at the latest invoice price, which approximates the lower of cost (first-in, first-out method) or market.

Capital assets:

Capital assets are stated at cost. Depreciation is computed using the straight-line method over the estimated useful lives of each class of depreciable assets.

Ambulances	5	years
Building improvements	5 - 10	years
Equipment	5 - 10	years
Building	25	years

LOWER CAMERON AMBULANCE SERVICE DISTRICT

NOTES TO FINANCIAL STATEMENTS

Net patient service revenues:

Net patient service revenues are reported at estimated net realizable amounts from patients, third-party payors, and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payors. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined.

Grants and donations:

Revenues from grants and donations (including capital contributions of assets) are recognized when all eligibility requirements, including time requirements are met. Grants and donations may be restricted for either specific operating purposes or for capital purposes. Amounts that are unrestricted or that are restricted to a specific operating purpose are reported as non-operating revenues. Amounts restricted to capital acquisitions are reported after non-operating revenues and expenses.

Operating revenues and expenses:

The Ambulance District's statement of revenues, expenses and changes in net assets distinguishes between operating and non-operating revenues and expenses. Operating revenues result from exchange transactions associated with providing health care services-the District's principal activity. Non-exchange revenues, including taxes, grants and contributions received for purposes other than capital asset acquisition, are reported as non-operating revenues. Operating expenses are all expenses incurred to provide health care services, other than financing costs.

Income taxes:

The Ambulance District is a political subdivision and exempt from taxes.

Restricted resources:

When the Ambulance District has both restricted and unrestricted resources available to finance a particular program, it is the District's policy to use restricted resources before unrestricted resources.

Risk management:

The Ambulance District is exposed to various risks of loss from tort; theft of, damage to, and destruction of assets; business interruption; errors and omissions; employee injuries and illnesses; natural disasters; and employee health. Commercial insurance coverage is purchased for claims arising from such matters.

Environmental Matters:

The Ambulance District is subject to laws and regulations relating to the protection of the environment. The Ambulance District's policy is to accrue environmental and cleanup related costs of a non-capital nature when it is both probable that a liability has been incurred and when the amount can be reasonably estimated. Although it is not possible to quantify with any degree of certainty, the potential financial impact of the Ambulance District's continuing compliance efforts, management believes any future remediation or other compliance related costs will not have a material adverse effect on the financial condition or reported results of operations of the Ambulance District. At December 31, 2005, management is not aware of any liability resulting from environmental matters.

LOWER CAMERON AMBULANCE SERVICE DISTRICT

NOTES TO FINANCIAL STATEMENTS

Note 2. Net Patient Service Revenues

The Ambulance District has agreements with third-party payors that provide for payments to the District at amounts different from its established rates. A summary of the payment arrangements with major third-party payors follows:

•**Medicare** – Covered ambulance services are paid based on a fee schedule.

•**Medicaid** – Covered ambulance services are paid based on a fee schedule.

During the fourteen month period ended December 31, 2005, approximately 49% of the Ambulance District's gross patient services were furnished to Medicare and Medicaid beneficiaries.

The Ambulance District also has entered into payment arrangements with certain commercial insurance carriers, health maintenance organizations, and preferred provider organizations. The basis for payment to the Ambulance District under these agreements includes prospectively determined rates per ambulance trip, discounts on charges, and prospectively determined rates.

The Ambulance District also gives a parish resident discount to any resident of the parish who uses ambulance services. The Ambulance District bills private insurance companies, Medicare or Medicaid, or any other coverage of the patient and accepts this as payment in full from the resident.

Note 3. Bank Deposits and Investments

The Ambulance District's investing is performed in accordance with investment policies complying with state statutes. Funds may be invested in time deposits, money market investment accounts or certificates of deposit with financial institutions insured by FDIC; direct obligations of the United States Government and its agencies; commercial paper issued by United States Corporations with a rating of A-1 (Moody's) and P-1 (Standard and Poor's) or higher; and government backed mutual trust funds. At December 31, 2005, the Ambulance District's funds consisted solely of demand deposits and certificates of deposits. These deposits are stated at cost, which approximates market.

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of a bank failure, the Ambulance District's deposits may not be returned to it. State law requires collateralization of all deposits with federal depository insurance and other acceptable collateral in specific amounts. The Ambulance District's policy requires that all bank balances be insured or collateralized by the financial institution to pledge their own securities to cover any amount in excess of Federal Depository Insurance Coverage (FDIC). These securities must be pledged in the Ambulance District's name. As of December 31, 2005, \$200,000 of the Ambulance District's deposits were secure from risk by FDIC coverage and \$1,842,687 of securities pledged by the financial institution. Accordingly, the Ambulance District had no custodial credit risk related to its deposits at December 31, 2005.

LOWER CAMERON AMBULANCE SERVICE DISTRICT

NOTES TO FINANCIAL STATEMENTS

Note 4. Accounts Receivable

Patient accounts receivable reported as current assets by the Ambulance District at December 31, 2005 consisted of these amounts:

Patient Accounts Receivable

Receivable from patients and their insurance carriers	\$ 30,320
Receivable from Medicare	1,151
Receivable from Medicaid	<u>3,141</u>
Total patient accounts receivable	\$ 34,612
Less allowance for uncollectible amounts	<u>(20,287)</u>
Patient accounts receivable, net	<u>\$ 14,325</u>

Note 5. Concentrations of Credit Risk

The Ambulance District grants credit without collateral to its patients, most of whom are local residents and are insured under third-party payor agreements. The mix of receivables from patients and third-party payors at December 31, 2005 was as follows:

Medicare	3%
Medicaid	9%
Other third-party payors/patients	<u>88%</u>
	<u>100 %</u>

Note 6. Ad Valorem Taxes

The Ambulance District's property tax is levied by the parish on the taxable real property in the district in late October of each year. Bills are sent out in November of each year at which time the Ambulance District records the tax revenue, and become a lien in the following March. The collection period for the Ambulance District's property taxes is from December (at which time they become delinquent) to the succeeding May.

Pursuant to Act No. 1140 of the 2001 Regular Legislative Session, protested ad valorem tax receipts are no longer segregated and held pending the outcome of the protest lawsuit. Instead, these payments are remitted to the Ambulance District. If the taxpayer successfully wins the protest lawsuit, the Ambulance District is liable to pay the taxpayer the protested tax amount plus interest. At December 31, 2005, the amount of protested ad valorem taxes paid, pending the outcome of protest lawsuits was \$473,634.

LOWER CAMERON AMBULANCE SERVICE DISTRICT

NOTES TO FINANCIAL STATEMENTS

Note 7. Capital Assets

Capital asset additions, retirements and balances for the fourteen month period ended December 31, 2005 were as follows:

	October 31, 2004	Additions	Retirements	December 31, 2005
Land	\$ 16,000	\$ -	\$ -	\$ 16,000
Equipment	69,494	18,796	(25,081)	63,209
Office equipment	22,972	7,654	(5,079)	25,547
Buildings and improvements	82,303	234,986	(222,649)	94,640
Ambulances	339,060	-	-	339,060
Total historical cost	<u>\$ 529,829</u>	<u>\$ 261,436</u>	<u>\$ (252,809)</u>	<u>\$ 538,456</u>
Less accumulated depreciation for:				
Equipment	\$ (26,705)	\$ (11,157)	\$ 16,188	\$ (21,674)
Office equipment	(12,098)	(5,338)	1,863	(15,573)
Buildings and improvements	(5,373)	(4,520)	9,519	(374)
Ambulances	(193,716)	(79,114)	-	(272,830)
Total accumulated depreciation	<u>\$ (237,892)</u>	<u>\$ (100,129)</u>	<u>\$ 27,570</u>	<u>\$ (310,451)</u>
Capital assets, net	<u>\$ 291,937</u>	<u>\$ 161,307</u>	<u>\$ (225,239)</u>	<u>\$ 228,005</u>

Depreciation expense for the fourteen month period ended December 31, 2005 amounted to \$100,129. The retirements of \$252,809 in the fourteen month period December 31, 2005, were directly related to the destruction caused by Hurricane Rita.

Note 8. Compensated Absences

Employees' vacation benefits are recognized in the period earned. Accrued compensated absences at December 31, 2005 totaled \$18,281 which is included in accrued liabilities on the balance sheet.

Note 9. Simple IRA Plan

The Ambulance District has a Simple IRA Plan covering all eligible employees as of June 2002. Employees can contribute a maximum of \$9,000 for the 2004 tax year and \$10,000 for the 2005 tax year. The Ambulance District contributes 2% of compensation to each eligible employee's Simple IRA for the year. Total Simple IRA plan expenses for the fourteen month period ended was \$12,302.

LOWER CAMERON AMBULANCE SERVICE DISTRICT

NOTES TO FINANCIAL STATEMENTS

Note 10. Non-capital and Capital Grants

The following is a recap of the non-capital and capital grants recognized by the Ambulance District for the fourteen month period ending December 31, 2005:

Non-capital grants:

U.S. Department of Homeland Security (FEMA Public Assistance)	\$ 12,985
Health Resources and Service Administration (HRSA)	<u>4,132</u>
Total non-capital grants	<u>\$ 17,117</u>

Capital grants:

U.S. Department of Homeland Security (FEMA Public Assistance)	\$ 39,691
Health Resources and Service Administration (HRSA)	<u>9,568</u>
Total capital grants	<u>\$ 49,259</u>

Note 11. Effects of Hurricane Rita

On September 24, 2005, Hurricane Rita made landfall in southwest Louisiana causing widespread damage to properties throughout the region. The Ambulance District's facilities, located in Creole, Louisiana and Grand Chenier, Louisiana, were both completely destroyed along with furniture and equipment. By December 31, 2005, the Ambulance District wrote-off the cost and accumulated depreciation associated with these capital assets due to the destruction caused by the hurricane.

The Ambulance District had property and flood insurance policies in effect at the time of the hurricane. The Ambulance District recognized \$408,506 of insurance proceeds on these policies of which \$398,037 was received by December 31, 2005 and the remaining \$10,469 recorded in other receivables on the balance sheet.

In order to continue operations of the Ambulance District, three trailers were purchased for temporary facilities. The Ambulance District has submitted requests for reimbursement for these trailers as well as other expenses, to the Federal Emergency Management Agency (FEMA). As of December 31, 2005, the Ambulance District has recorded grant revenue and an offsetting receivable in the amount of \$52,675 from the FEMA Public Assistance Grant for the expenses incurred related to Hurricane Rita.

Note 12. Financial Report Delays

The audit and financial report for the fourteen month period ending December 31, 2005 must be submitted to the legislative auditor within six months of the close of the Ambulance District's year, as required by state law. Due to the effects and devastation caused by Hurricane Rita on the Ambulance District's facilities and operations, the financial report was not issued within the requirement by state law, however, the Legislative Audit Advisory Council has granted extensions to the Ambulance District for this filing.

SUPPLEMENTARY INFORMATION

LOWER CAMERON AMBULANCE SERVICE DISTRICT

SCHEDULE OF NET PATIENT SERVICE REVENUE
For the Fourteen Month Period Ended December 31, 2005

Gross patient service revenues	\$ 487,780
Less:	
Medicare and Medicaid contractual adjustments	(101,259)
Provision for uncollectible accounts	(52,562)
Parish resident discounts	(138,857)
Insurance and other discounts	<u>(8,725)</u>
Net patient service revenue	<u>\$ 186,377</u>

LOWER CAMERON AMBULANCE SERVICE DISTRICT

SCHEDULES OF BOARD FEES

For the Fourteen Month Period Ended December 31, 2005

Board Members

The Ambulance District's board members did not receive any compensation during the fourteen month period ended December 31, 2005.

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**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND
ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

To the Board of Commissioners
Lower Cameron Ambulance Service District
Creole, Louisiana

We have audited the basic financial statements of the Lower Cameron Ambulance Service District as of and for the fourteen month period ended December 31, 2005, and have issued our report thereon dated January 8, 2007. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Lower Cameron Ambulance Service District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the basic financial statements and not to provide assurance on the internal control over financial reporting. However, we noted a certain matter involving the internal control over financial reporting and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect Lower Cameron Ambulance Service District's ability to initiate, record, process and report financial data consistent with the assertions of management in the financial statements. The reportable condition is described in the accompanying schedule of findings and questioned costs as item 2005-1.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the basic financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we do not consider the reportable condition described above to be a material weakness.

To the Board of Commissioners
Lower Cameron Ambulance Service District

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Lower Cameron Ambulance Service District's basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of management, others within the Ambulance District, federal award agencies, pass-through entities, and the Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Broussard, Poche, Lewis & Breaux L.L.P.

Lafayette, Louisiana
January 8, 2007

LOWER CAMERON AMBULANCE SERVICE DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Fourteen Month Period Ended December 31, 2005

We have audited the basic financial statements of Lower Cameron Ambulance Service District as of and for the fourteen month period ended December 31, 2005, and have issued our report thereon dated January 8, 2007. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our audit of the basic financial statements as of and for the fourteen month period ended December 31, 2005, resulted in an unqualified opinion.

Section I. Summary of Auditor's Reports

a. Report on Internal Control and Compliance Material to the Financial Statements

Internal Control

Material Weaknesses ☐ Yes ☒ No Reportable Conditions ☒ Yes ☐ No

Compliance

Compliance Material to Financial Statements ☐ Yes ☒ No

Was a management letter issued? ☐ Yes ☒ No

Section II. Financial Statement Findings

2005-1 Segregation of Duties

Finding: The Ambulance District does not have adequate segregation of duties. A system of internal control procedures contemplates a segregation of duties so that no one individual handles a transaction from its inception to its completion. While we recognize the Ambulance District may not be large enough to permit such procedures, it is important that the Ambulance District be aware of this condition. This condition was also included in the 2004 audit as item #2004-1.

Recommendation: Keeping in mind the limited number of personnel to which duties can be assigned; the Ambulance District should continue to monitor assignment of duties to assure as much segregation of duties and responsibility as possible, and the board should review financial information on a timely basis.

Response: The Ambulance District is aware of and evaluated this problem and concluded that it would not be cost beneficial or possible with the limited resources available to create a segregated accounting environment. However, the Ambulance District will continue to monitor this issue and the board will review financial information on a timely basis.

LOWER CAMERON AMBULANCE SERVICE DISTRICT

SCHEDULE OF PRIOR YEAR FINDINGS

For the Fourteen Month Period Ending December 31, 2005

Section I. Internal Control and Compliance Material to the Financial Statements

2004-1 Segregation of Duties

Finding: The Ambulance District does not have adequate segregation of duties. A system of internal control procedures contemplates a segregation of duties so that no one individual handles a transaction from its inception to its completion. While we recognize the Ambulance District may not be large enough to permit such procedures, it is important that you be aware of this condition.

Recommendation: Keeping in mind the limited number of personnel to which duties can be assigned; the Ambulance District should continue to monitor assignment of duties to assure as much segregation of duties and responsibility as possible.

Current status: NOT RESOLVED – The Ambulance District is aware of and has evaluated this issue and concluded that it would not be cost beneficial or possible with the limited resources available to create a segregated accounting environment. The Ambulance District will continue to monitor this issue with segregation of duties, and continues to review all financial information on a timely basis. This finding is also included in the audit report for the fourteen month period ended December 31, 2005, and described in 2005-1.

Section II. Internal Control and Compliance Material to the Federal Awards

Not applicable.

Section III. Management Letter

There were no matters reported in a separate management letter for the year ended October 31, 2004.

THIS SCHEDULE HAS BEEN PREPARED BY MANAGEMENT



Lower Cameron Ambulance Service District

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MANAGEMENT CORRECTIVE ACTION PLAN

January 24, 2007

Legislative Auditor
State of Louisiana
P.O. Box 94397
Baton Rouge, Louisiana 70804-9397

Lower Cameron Ambulance Service District respectfully submits the following corrective action plan for the fourteen month period ended December 31, 2005.

Name and address of independent public accounting firm:

Broussard, Poche', Lewis & Breaux, L.L.P.
Certified Public Accountants
101 Independence Blvd
Lafayette, Louisiana 70506

Audit Period: November 1, 2004 through December 31, 2005.

The findings from the 2005 schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the numbers assigned in the schedule. Section I of the schedule, Summary of Auditor's Reports, does not include findings and is not addressed.

Section II: Financial Statement Findings

2005-1 Segregation of Duties

Recommendation: Keeping in mind the limited number of personnel to which duties can be assigned; the Ambulance District should continue to monitor assignment of duties to assure as much segregation of duties and responsibility as possible, and the board should review financial information on a timely basis.

Response: The Ambulance District is aware of and evaluated this problem and concluded that it would not be cost beneficial or possible with the limited resources available to create a segregated accounting environment. However, the Ambulance District will continue to monitor this issue and the board will review financial information on a timely basis.

Responsible party: Byron Broussard, Director

LOWER CAMERON AMBULANCE SERVICE DISTRICT